

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: ARKANSAS

TRANSFER OF RESOURCES

1917 of the Act      The agency provides for the denial of eligibility by reason of disposal of resources for less than fair market value.

Section 303(b) of P.L. 100-360      A. The criteria for determining the period of ineligibility are:

1. Effective July 1, 1988 (except for inter-spousal transfers), no period of ineligibility will be imposed on an individual for uncompensated transfers unless the individual is an inpatient of a medical institution or nursing facility who transferred resources without compensation 30 months prior to institutionalization, if a Medicaid recipient at the beginning of institutionalization, or 30 months prior to application, if not Medicaid eligible at the beginning of institutionalization.

a. The agency uses a procedure which provides for a period of ineligibility that will be the lesser of:

i. 30 months, or

ii. A number of months equal to the uncompensated value of the transferred resources divided by \$1500. Any remainder from the division will be disregarded.

b. No individual is ineligible by reasons of A.1. if:

i. The resource transferred was a home, and title to the home was transferred to:

(a) a child of the institutionalized individual who is under age 21 or who is blind or disabled (as determined by SSI or MRT);

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- (b) a son or daughter of the institutionalized individual who resided in the home for at least two years before the applicant was admitted to the medical institution or nursing facility, and who provided care which enabled the institutionalized individual to remain at home during that period; or
  - (c) a sibling of the institutionalized individual who had an equity interest in the home for at least one year before the applicant was admitted to the medical institution or nursing facility.
- ii. The resources were transferred to (or to another for the sole benefit of) a blind or permanently and totally disabled child (as determined by SSI or MRT).
  - iii. A satisfactory showing is made that the individual intended to dispose of the resources at FMV or for other valuable consideration, or that the resources were transferred exclusively for a purpose other than to qualify for medical assistance.
  - iv. It is determined that denial of eligibility would work an undue hardship. Undue hardship exists if each condition below is met:
    - (a) counting uncompensated value would make an individual ineligible;
    - (b) lack of assistance would deprive the individual of food and shelter;
    - (c) the individual's combined total of gross income and countable resources (no income disregards allowed) do not exceed the applicable federal benefit rate (NF income limit); and

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- (d) The resource(s) cannot be recovered from the individual(s) to whom the resource(s) was transferred without compensation due to loss, destruction, theft, or other extraordinary circumstances.

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8/10/93

2. Effective October 1, 1993, the transfer of asset provisions are in accordance with OBRA of 1993, as follows:
- a. The look back period will be 36 months (or 60 months in the case of transfers to trusts);
  - b. There will be no cap on the period of ineligibility;
  - c. There will be no overlapping of periods of ineligibility;
  - d. The period of ineligibility for the uncompensated transfer of assets shall be determined as follows:
    - The total value of all resources transferred will be divided by the average monthly cost to a private pay nursing facility resident;
    - The total annual income diverted will be multiplied by the life expectancy of the individual and divided by the average monthly cost to a private pay nursing facility resident;
  - e. No period of ineligibility shall be imposed on an individual for uncompensated transfers if denial of eligibility would work an undue hardship.
  - f. The exceptions to the period of ineligibility will be applied, as mandated by OBRA.

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